

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 1152 - HB 1389

March 6, 2009

SUMMARY OF BILL: Authorizes franchise and excise tax credits to certain local commercial television stations equal to \$50 per waiver granted to Tennessee consumers who subscribe to digital broadcast satellite television services. Defines local commercial television station.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue - \$311,700/Recurring

Increase State Expenditures - \$100,000/One-Time

Assumptions:

- Local commercial television station means any full power television broadcast station, other than a qualified non-commercial educational television station within the meaning of § 47 U.S.C. § 535(l)(1), licensed and operating on a channel regularly assigned to its community by the Federal Communications Commission.
- Waivers are granted to satellite television subscribers who wish to receive distant network signals as part of their programming services.
- There are over 30,700,000 satellite television subscribers in the United States (Direct TV had approximately 17,040,000 subscribers as of March 31, 2008 and Dish Network had approximately 13,670,000 as of December 31, 2008).
- According to the U.S. Census, the population in the United States as of the date of this fiscal note is estimated to be 305,952,315.
- Satellite television subscribers account for 10.03 percent of the national population ($30,700,000 / 305,952,315 = 10.03\%$).
- According to the U.S. Census, Tennessee had an estimated population of 6,214,888 for 2008.
- The number of satellite television subscribers in Tennessee for 2008 is estimated to be 623,400 ($6,214,888 \times 10.03\% = 623,353$).

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- The number of Tennessee satellite television subscribers who are granted waivers for receiving distant network signals is estimated to be one percent (6,234).
- The decrease of state revenue is estimated to be \$311,700 per year (6,234 x \$50 = \$311,700).
- One-time state expenditures for computer of software modifications estimated to be \$100,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/rnc